

Consultant 103

14 August 2012

Dear Sir

Re: Private Medical Insurance Companies

I am writing as a Consultant Surgeon that has been in Private Medical Practice for nearly [X] years. I am appalled by the recent change in culture in the leading Private Medical Insurers (PMI) with BUPA being the worst.

It appears that BUPA are quite reasonably trying to control their costs but they are doing this by inviting young Consultants to agree to PMI Benefit Maxima so that they can then be recommended by the relevant PMI. The reality is that they are price-fixing in an unacceptable way.

It is perhaps distressing to realise that it is a previous competition commission investigation that advised that the Private Practice Committee at the British Medical Association (BMA) was in breach of similar market abuse by negotiating fees with the PMI Co's and recommending these fees to Consultants. Obviously this would be considered to be a cartel, but by removing this negotiation the PMI companies are now misrepresenting the market to their customers.

Members of our public who pay PMI premiums naturally assume that they will be covered for all the costs associated with Private Medical Care. They are entirely unaware that BUPA has not increased its reimbursement for varicose vein surgery (as one example) since 1993. They would be as appalled as I to discover that having not increased this reimbursement in line with inflation for nearly 20 years, BUPA have just down-graded their reimbursement for varicose vein surgery.

This would be fair only if BUPA are telling their clients that their insurance does not cover the cost of Private Care but does at least make a payment to the client represent a fraction of the cost of that Private Care. What BUPA and AXA-PPP are currently trying to do is to persuade new Consultants to accept these extremely low reimbursement levels in order to rapidly gain some Private Practice at the cost of established professionals. What they are certainly not doing is providing a reasonable level of cover for the likely costs of most surgical procedures. It is the common procedures such as hip and knee replacement surgery and varicose veins that have been focussed upon as the PMI Co's attempt to reduce their costs.

There is no single body able to negotiate with PMI Co's on these issues as the BMI Private Practice Committee was effectively disarmed (not inappropriately so) by the Competition Commission 15 years ago.

Either PMI Co's need to agree to pay the average fees being charged by Consultants throughout the UK or, perhaps more appropriately, they need to simply declare the level of payment that they make to their customers in relation to any particular claim. They should entirely remove any marketing literature that suggests that they provide sufficient cover to cover Private Health Care. I hope you find these comments helpful.